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ARGENTINA: RENEWED TERRORIST VIOLENCE

Summary

Terrorist violence aimed at undermining the government of President Peron has been renewed in the last two months. In previous months, pressure from security forces had led to an abatement in guerrilla activity and fostered the impression--partly because of heavy publicity--that the Peron administration was gaining the upper hand over terrorism. Subsequent events have made clear, however, that the terrorists retain their capacity for violent disruption, even in Cordoba Province, where they supposedly had suffered defeat.

The renewed terrorism will embarrass but by itself will not topple the government. Sustained, high-level political violence will favor:

--a shift to the right, with conservative Peronists exerting more influence in government policies; and

--an increase in military influence in policymaking.

Evidence that the government does not have terrorism under control will also adversely affect foreign and domestic private investment, aggravating the government's economic woes.

For the US, the most ominous note in the recent violence is an indication that US citizens and property may become primary terrorist targets. The murder of US

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Consular Agent John Egan in February, information gathered thereafter, and a number of other incidents point in this direction.

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The terrorist problem confronting President Peron's government has revived, over the past two months, with the kidnap-murder of US Consular Agent John Egan, the kidnap-ransom of an Argentine judge, and multiple political assassinations.

Despite repeated government claims of success against the terrorists, subversive groups--especially the Marxist People's Revolutionary Army (ERP) and the nominally-Peronist Montoneros--retain their capabilities for violent disruption.1/ Fears persist that the most recent spate of violence may be the spearhead of a concentrated terrorist campaign aimed at bringing down President Peron's government. Whether or not such an offensive materializes, the fate of Consular Agent Egan indicates that foreign business and diplomatic personnel are again considered prime targets by the terrorists.

The Illusion of Control

Between October 1974 and February 1975, the Argentine security forces scored notable successes against the terrorists, carrying out frequent raids on safe sites, arresting hundreds of suspects, and confiscating caches of propaganda and weapons. Coupled with these police actions has been a series of government initiatives:

--The appointment, in September 1974, of Retired Air Force General Raul Lacabanne as chief executive officer in violence-prone Cordoba Province. Lacabanne, who is notorious for his rightist politics, set about destroying all vestiges of leftist influence in the province.

1/ For background on the ERP and the Montoneros, and an earlier analysis of the terrorist problem, see INR RS-31, "Argentina: Terrorism--A Spectacular But Not Fatal Challenge," October 29, 1974 (SECRET/NO FOREIGN DISSEM).

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At the end of November, he told President Peron that the situation was under control.

--The November 6 declaration of a state of siege, following the murder on November 1 of Federal Police Chief Villar.

--The attempt, in December, to upgrade the government's counter-terrorist capabilities through a National Defense Law, which provided for badly needed coordination among the intelligence arms of the Federal Police, the armed forces, and the State Secretariat for Intelligence (SIDE).

--The appointment, also in December, of an active-duty naval officer as head of SIDE.

--The launching, on February 8, 1975, of a major counter-terrorist sweep in Tucuman Province, an ERP stronghold. This step was particularly significant because the assignment of 5,000 army troops to the operation marked the military's acceptance of an overt role in the fight against subversion.

--The elimination of leftist influence in the nation's university system, especially in the University of Buenos Aires.

Separately, none of the government's initiatives would have seemed highly significant. Cumulatively, however, they created the impression of a government campaign that had the terrorists on the defensive, if not under control. The media, cowed by the threat of prosecution under the state-of-siege provisions, contributed to that impression by emphasizing the successes of the security forces while ignoring or according scant coverage to guerrilla activities.

A Maximum Effort?

Egan's murder, which received heavy publicity, and political assassinations at the rate of one or more per day, have served shocking notice of the resurgence of the terrorists. Renewed terrorist violence has reached at least

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the level of September 1974. Further, the lack of success in the military's Tucuman operation is bound to raise new doubts about the government's ability to protect life and property.

An even more intensified effort may be under consideration by the ERP and/or the Montoneros, but their course of action is not yet clear. Since last September the Montoneros have displayed a preference for spectacular but relatively isolated acts, rather than a sustained campaign of violence. The September 1974 kidnapping of Juan and Jorge Born, two of Argentina's wealthiest industrialists, and the murder of the Federal Police Chief illustrate this tendency.

Egan's murder may fall into the same pattern. If so, the Montoneros' objectives in the Egan case probably were to:

--Reaffirm their "revolutionary" credentials.

--Embarrass the government by exposing its inability to suppress the terrorists, particularly in the province of Cordoba, where Lacabanne had claimed victory.

--Demonstrate to the government the consequences of the continued torturing and killing of leftist prisoners. The Montoneros demanded as a condition for Egan's release that the government display their cohorts in good health, not that they be released.

--Test the government's ability and willingness to respond to stepped-up guerrilla activity.

Although inconclusive, the Egan episode may be ominous evidence of an opening wedge of a major terrorist offensive:

--After Egan's abduction, Montonero leaflets distributed in Cordoba warned that similar attacks would follow.

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3.3(b)(1) [redacted] a Montonero leader has claimed that 1) the Montoneros' national leaders believe that the nation's economic and political problems have the government on the verge of collapse, and 2) they will pursue violent tactics to exacerbate the current tensions and contribute to the government's demise. (Yet [redacted] 3.3(b)(1) noted, on another occasion, that despite Egan's murder, the Montoneros were not focusing on US diplomats as primary targets.)

3.3(b)(1) [redacted] a Montonero leader in Cordoba referred to Egan's death as a "first step" that was "nothing compared to what the Montoneros are now planning."

--An ERP member stated that the ERP had participated in Egan's murder and would continue making US citizens primary targets in a new abduction campaign.

3.3(b)(1)

--Over a month after Egan's murder, [redacted] 3.3(b)(1) while the Montoneros do not believe Peron's government is near collapse, they will continue their violent tactics, including attacks on US Embassy personnel.

On balance, terrorist violence is unlikely to escalate much beyond its present level very soon.

--The guerrillas lack both the manpower and the firepower to win in a massive confrontation with the security forces.

--Only serious miscalculation could lead the terrorists to conclude that President Peron's government or, more importantly, constitutional government, is in immediate jeopardy.

Domestic Impact

If the ERP and the Montoneros are intent on contributing to the government's downfall, at least two other time periods would appear more propitious than the immediate future for the unleashing of a maximum campaign:

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--later this year, when, if the experts are correct, Argentina's economic situation will deteriorate; and

--mid-1976, when the pre-election process for 1977 generates momentum.

Meanwhile, terrorist pressure does not have President Peron's government on the verge of collapse, but it is one of several serious political and economic factors influencing the struggle between moderate and right-wing Peronists within the administration. Sustained, high-level political violence would favor:

--A shift further to the right. Right-wing Peronists, who are led by Social Welfare Minister Lopez Rega and advocate a hard line against subversives, would increase their influence at the expense of moderates led by Interior Minister Rocamora.

--Increased military influence. If, as is likely, the army is forced into an increasingly important internal security role, army generals will seek to protect their institutional interests by demanding a say in counter-terrorist policy formulation. Given the general dissatisfaction of the officers with President Peron's performance, a military policymaking role in the fight against subversion would probably lead to pressures for military input in other policy areas.

Argentina's economic woes will also be complicated by sustained terrorism. A case in point involves the serious need for private foreign and domestic investment. Efforts by Economy Minister Gomez Morales to attract new capital will be to little avail if the government cannot guarantee the security of lives and property.

Implications for the US

In a setting where political violence occurs with numbing regularity, spectacular attacks against diplomats and wealthy foreign businessmen have appeal for terrorists,

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both to attract the attention they feel they must get and to eliminate the "imperialist presence" from Argentina.

Foreigners, US citizens and property in particular, may again become regular terrorist targets. Egan's murder was followed by the vague threats noted above, an abduction threat against US Ambassador Hill, suspicious incidents involving other Embassy personnel, and a grenade-throwing spree against the Chrysler-Febre plant near Buenos Aires timed to coincide with the arrival in Argentina of Assistant Secretary Rogers.

The security implications for US citizens resident in Argentina, especially diplomatic and business personnel, are evident. More now than at any time in the last year, all must be considered potential targets for abduction and/or assassination attempts. Even if the Egan murder was not the first in a planned series of attacks on US personnel and property, the terrorists might attempt a repeat performance if the circumstances were to offer maximum propaganda value.

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